



Proposal for Brownfields Assessment Grant

4.1 Preliminary Information

I. Cover Letter (Enclosed)

II. Applicant Information

A. Project Titles:

Abandoned Landfill Assessment Grant
(\$150,000)

Brownfields/Voluntary Remediation Project Track Grant
(\$50,000 Petroleum & \$50,000 Hazardous Substances)

Abandoned Tank Facility Inventory and Assessment Grant
(\$150,000)

B. Name of Applicant: Indiana Department of Environmental Management (IDEM) Brownfields Program

C. Project Contact: Gabriele Hauer, Section Chief IDEM Brownfields and Abandoned Landfills Programs PO Box 6015 Indianapolis, IN 46206-6015 Phone: (317) 233-2773 Fax: (317) 234-0428 ghauer@dem.state.in.us

D. Chief Executive: Lori Kaplan, Commissioner IDEM PO Box 6015 Indianapolis, IN 46206-6015 Phone: (317) 232-8611 Fax: (317) 233-6647 lkaplan@dem.state.in.us

E. Location: State of Indiana

F. Population: 6,080,485

G. Special Consideration: While IDEM, as a state agency, does not qualify for any of the listed special considerations, several of the communities that will benefit from the proposed assessment grant activities do qualify. For example, communities with populations under 100,000 or with environmental justice (EJ) concerns will receive special consideration in IDEM's site selection process. See page 10, section D, Site Selection Process for more information about the preliminary site selection criteria.

III. Requested Programs and Funding (See Attachment #1)

IV. Project Overview

IDEM proposes three different types of activities falling under the category of Assessment Grants: the assessment of abandoned landfills, the assessment of brownfield sites where an increased level of liability protection is needed, and the assessment and inventory of abandoned petroleum sites. Each of the three grant activities will facilitate project tracts as options for communities who want to address brownfield sites. Together with the resources (e.g., technical and financial assistance) that are already available in Indiana, including the Interagency Brownfields Task Force and other state and federal partner agencies, these proposed activities will increase the opportunities available to communities at every stage of redevelopment, from assessment to cleanup to infrastructure improvements. The goal is to expand the wide range of tools and resources offered by Indiana, facilitating the redevelopment of brownfields.

The following is a brief description of each of the proposed activities.

Abandoned Landfill Assessment Grant

In order to assist in quantifying the impacts that abandoned, unregulated landfills have on Indiana's environment and to facilitate brownfields redevelopment, IDEM requests assessment grant monies (\$150,000) to investigate conditions at these abandoned landfills. Grant monies will be utilized by IDEM to perform Phase I and Phase II Environmental Site Assessments of selected abandoned landfills, with the long-term goal of promoting and facilitating redevelopment.

Indiana has conservatively estimated that there are over 280 unregulated abandoned landfills in the state. The sizes of these landfills vary, but with an average size of 10 acres, the total is approximately 2800 acres, or nearly 4.4 square miles of brownfield land. The presence of an abandoned landfill can impede redevelopment efforts of properties in its vicinity due to the unknown, potential environmental impacts. This often results in an even greater area of incapacitated land. Assessing and understanding conditions at an abandoned landfill could ease a community's hesitation to redevelop such an area instead of considering expansion into greenspace areas, promoting urban sprawl.

IDEM continues to research and document abandoned landfills across Indiana. The Agency has developed and maintains a digital database of the estimated 280 sites across the state. The number will continue to increase as new sites are discovered. IDEM has put this information to work by combining the abandoned landfill digital database with other digital informational databases. The use of Geographic Information System (GIS) technology and software has allowed IDEM initially to rank and prioritize landfill sites across the state. This has allowed IDEM to focus on those sites with the greatest potential for impacts to human health and the environment.

The proposed assessment grant will allow IDEM to conduct Phase I and Phase II Environmental Site Assessments for up to 10 abandoned landfills across the state. A

typical Phase I investigation could include a property title search, a documentation of waste disposal documentation, a delineation of the waste in-place (waste footprint) through historical aerial photographs, and compilation of local knowledge of the site's history. A typical Phase II investigation could entail the use of geophysical techniques (magnetic surveys), surface and subsurface soil sampling, groundwater investigations with monitoring well installation, and landfill gas evaluations. For each investigation, IDEM will produce a report that provides a history of the landfill through a records search and local interviews, a description of the assessment activities performed, and results of the field work.

Communities with environmental justice issues, as well as rural communities without adequate financial and technical resources will be encouraged to participate. IDEM will enlist the assistance of the Indiana Association of Cities and Towns, as well as IDEM's Environmental Justice Coordinator, to ensure that areas in need of special assistance will be aware of the availability of the assessments. In addition, ten percent of the funds will be used for IDEM to provide technical assistance to chosen communities who have undertaken the assessments of abandoned landfills themselves.

Brownfields/Voluntary Remediation Program Project Track Grant

To provide eligible entities, such as local units of government, the opportunity to achieve a higher level of liability protection than what is currently available through IDEM's Brownfields Program, IDEM requests grant monies to fund program oversight and sampling costs associated with obtaining a Voluntary Remediation Program (VRP) Covenant Not to Sue (CNTS). The total amounts requested are \$50,000 for hazardous substance contamination and \$50,000 for petroleum contamination. Submitting a successfully investigated or remediated brownfields site to VRP would offer eligible parties the opportunity to receive a Certificate of Completion (COC) from IDEM and a CNTS from the Indiana governor's office. These documents provide assurance that the targeted area(s) and media have utilized appropriate standards and reached cleanup goals, and that the area(s) addressed will not become the subject of future IDEM enforcement action. In addition, a Memorandum of Agreement (MOA) with the Environmental Protection Agency (EPA) provides assurance that EPA will not pursue enforcement action if the site was successfully addressed in VRP.

This higher level of environmental liability protection would increase the potential for a brownfields site to reach its redevelopment goals. The COC, CNTS, and MOA provide the community with the extra assurances needed to secure bank loans and attract outside buyers for redevelopment. Therefore, providing this service to municipalities and other eligible entities will enhance brownfields redevelopment in Indiana.

By statute, VRP requires that a plan be submitted to IDEM for review. The plan must contain a description of site conditions, specify any remedial objectives, and establish appropriate risk-based cleanup standards. After approval by IDEM, the Remediation Work Plan is subject to a 30-day public-notice period. This allows all potentially affected parties and the public the opportunity to comment on the work plan. As added assurance that site conditions are in compliance with appropriate cleanup standards, VRP

requires independent verification, through the collection of confirmation samples, for all media addressed in the project. VRP will either collect or split with the applicant the confirmation samples and submit them to an independent laboratory for analysis. The results of all confirmation samples are submitted to IDEM in a Remediation Completion Report, which must be reviewed and approved by VRP.

Typically, most VRP applicants are private sector participants who agree to reimburse IDEM for costs related to reviewing work plans and other documents, analytical fees for VRP's required confirmation sampling process, and oversight cost of the cleanup itself. Through the proposed grant funds, IDEM will offer at no cost its staff time and the laboratory analytical fees to those eligible VRP applicants that have not caused or contributed to the contamination. The VRP applicant would be responsible for the remedial cost, the cost of document development, and any third-party document review required by IDEM. (However, many of these costs could potentially be covered by existing assistance available through IDEM's Brownfields Program.) Depending on the size of the facility and complexity of the project, confirmation sampling costs typically range from \$1,000 to \$2,000 per media (soil and groundwater). For large, complex sites, sampling costs may be higher. Typical oversight cost related to taking the site to VRP closure (public notice of work plan, review of Remediation Completion Report, development of Certificate of Completion and Covenant Not to Sue) generally average about \$2,000.

Abandoned Tank Facility Inventory and Assessment Grant

IDEM requests \$150,000 to identify and perform environmental assessments on abandoned petroleum sites in Indiana, with the ultimate goal of remediation and redevelopment. The development of this project will be an outgrowth of work currently being performed by IDEM's Underground Storage Tank (UST) inspection staff. The inspectors currently look for and identify abandoned facilities where tanks may still be present on-site. IDEM staff then determine whether there is a viable responsible party against which to bring enforcement action for tank removals, assessments, and/or remediation. As part of this process, the inspectors often find that some of these sites do not have a responsible party to take enforcement action against because of death, bankruptcy, inability to find the last property owner, or other property ownership issues. Most of these UST sites have been abandoned for 15 or more years. None of these properties are registered UST facilities and efforts will be made to assure they are not eligible for LUST Trust Fund expenditures. Most of the sites are currently vacant and off the local tax base. These sites are usually found on main streets and on corner lots in many of the cities and towns across the state. They could be prime locations for redevelopment and/or use by the local communities, but because they carry the stigma of potential environmental contamination, they go unclaimed at tax sales.

IDEM proposes to use some of these grant monies to further supplement the UST inspection staff's efforts in identifying abandoned facilities by using state contractors to locate potential sites. It is anticipated that efforts will focus on mostly rural areas where there is typically a lack of full time staff to perform these types of activities.

IDEM will contact the communities with identified sites in order to determine local need and desire to redevelop these properties. Sites will then be prioritized based on a process that will include at least the following factors: 1) potential impact to human health and the environment, 2) community financial need, 3) size of community, 4) redevelopment plans, and 5) community support. With an approximate cost of \$10,000 to \$15,000 per site for an environmental assessment, it is estimated that 10 to 12 sites will be assessed with project funds.

The proposed environmental assessments will follow IDEM's guidelines for subsurface investigations. State contractors, with oversight from state staff, will use push probe methods for soil sampling and groundwater sampling to evaluate site conditions. The location of all tanks and piping runs will be mapped, and a report will be generated detailing the investigation results and all available site information. It is anticipated that these sites will be low priority sites, but the assessments could potentially identify some medium priority contamination.

With a completed environmental assessment indicating whether contamination is present and at what levels, these sites will then have several options for moving forward with development. One option would be, if additional assessment information were needed, the communities could apply for a state Brownfields Site Assessment Grant and/or a state Brownfields Revolving Low Interest Loan to complete this task. If remediation was deemed necessary after a completed site assessment, then the community could apply for the state's Petroleum Remediation Grant Incentive (PRGI) assistance. The Indiana Development Finance Authority (IDFA) administers this fund with assistance from IDEM and uses a Pay For Performance program to fund petroleum remediation at brownfields redevelopment sites. The community or the state could also apply for federal brownfield petroleum remediation funds for specific sites in a future grant.

Another option would be for a community to attempt to find a private developer to assume ownership of the site for redevelopment purposes. With a completed assessment, especially one showing limited contamination, private developers would likely be more willing to assume clean up of the sites.

These projects could leverage funding from the state's brownfields grant and loan program, the state's PRGI program, as well as potential future federal brownfields cleanup money to achieve the goal of redevelopment of abandoned tank facilities.

The inventory and assessment of these sites across the state will continue, as additional funds are available. The UST inspection staff will also perform outreach, encouraging staff of the various counties to report abandoned sites to the state.

4.2 Assessment Grants

Threshold Criteria

- A. Applicant Eligibility: As a state entity, IDEM is eligible for the assessment grants.
- B. Community Notification: The public was notified of IDEM's proposal submittal via IDEM's Brownfields Program Web site. See Attachment #2. If IDEM is invited to prepare a final proposal, public comment of the project details will be sought before the final proposal is due.
- C. Letter from the State or Tribal Environmental Authority: NA
- D. Description of Sites: No specific sites are proposed.

Ranking Criteria

- A. Community Need
 - 1. The proposed assessment grants do not currently propose specific sites. Upon award of the grants, Indiana will select sites in a manner consistent with the selection processes currently used for state grants and loans. See Attachment #3. Extra consideration will be given to the needs of special community situations, such as environmental justice (EJ) areas. Using 2000 U.S. Census data for race and income ratios, IDEM has identified geographical areas where EJ is a potential concern. See Attachment #4. In total, EJ is a potential concern in 23.21% of Indiana's population. See Attachment #5. By combining the Agency's environmental data with this race and income data, IDEM also has the capacity to identify communities that are disproportionately impacted by environmental factors.

Indiana's Brownfields Program promotes redevelopment to improve the quality of life for community residents by revitalizing neighborhoods, reducing threats to human health and the environment, and in some cases, bringing much needed economic growth. The proposed assessment grants are intended to provide assistance to those communities that do not have the resources to achieve brownfields redevelopment on their own.

- 2. IDEM's Brownfields Program currently maintains a list of 269 brownfield sites in the state of Indiana that have entered the Brownfields Program for assistance. However, thousands more sites are estimated to exist throughout the state, lying idle and blighting our communities. In rural parts of Indiana especially, manufacturing industries have failed and/or moved, leaving potentially contaminated land that becomes a burden for communities. Brownfield properties are often eyesores to the community and pose health threats to the surrounding neighborhoods. In addition, they are not providing much-needed tax revenue for local schools and communities.

As Indiana's undeveloped land continues to diminish, brownfields redevelopment and reuse is vital. Unplanned growth and urban sprawl are

complex issues that are becoming more and more prominent in Indiana. In Indiana, land use decisions are made at the local level. Providing assistance to localities to assess and prioritize their brownfields will enable them to potentially redevelop brownfields and make them available to businesses, possibly slowing development on greenfields.

B. Leveraging of Additional Resources

1. Since specific sites have not yet been selected, the financial needs of each site project have not been established. The proposed grants will address the financial needs of sites that require assessment work.
2. IDEM's Brownfields Program currently offers several forms of assistance for brownfields that could be available for additional phases of the projects that receive the proposed environmental assessments. In particular, grants and loans are available to communities through IDEM's partnership with the Indiana Development Finance Authority (IDFA). Grants for additional assessment work are available for amounts up to \$50,000 per applicant per round. Low-interest loans, some of which are potentially partially forgivable, are available for assessment and/or remediation of brownfield sites. The maximum loan amount is up to 10% of the monies available in the state Brownfields Fund. This funding was made available through Indiana legislation that established a \$15 million Environmental Remediation Loan Fund (Brownfields Fund), from which investigation grants and low-interest loans are provided to local governments and eligible entities. Approximately \$10 million in financial assistance has been made available to local brownfield projects through this funding, positively impacting approximately 120 communities across the state since 1998.

Also in coordination with IDFA, the Petroleum Remediation Grant Incentive (PRGI) offers remediation grants from the Brownfields Fund for petroleum-contaminated brownfield sites that have already been assessed. This offers an opportunity for petroleum sites that may be identified and assessed by the proposed Abandoned Tank Facility Inventory and Assessment Project to be remediated using an existing state incentive.

Further leveraging of resources will occur if IDFA's current EPA Brownfields Assessment Grant application is approved. In a separate application, IDFA is proposing that an assessment grant be awarded to IDFA for brownfield inventories, Geographic Information System (GIS) application, and targeted assessments. If awarded, IDEM will continue to coordinate with IDFA, and each proposed assessment activity will enhance the others. For example, sites that are identified by IDFA's inventory efforts could be prime candidates for IDEM's proposed assessment activities. In addition, sites identified and/or assessed by IDEM's efforts will be added to IDFA's GIS database.

3. In the state of Indiana, staff from IDEM, IDFA and the Indiana Department of Commerce (IDOC) comprise the Indiana Brownfields Program. Because each agency has its own functional mandate, experts in various fields are present in each organization. Since brownfields redevelopment balances environmental and economic issues, all three agencies work in concert to leverage funding and staff.

In addition to the assistance provided by IDEM and IDFA, (described above), IDOC provides additional financial assistance that can further leverage brownfield projects in Indiana. IDOC administers an Urban Enterprise Zone Brownfield Grant Program that has awarded 17 grants, totaling \$456,740 for assessments of brownfields located in Indiana Enterprise Zones. IDOC has also awarded grants to three communities for assessment and cleanup of brownfield properties through the federal Community Development Block Grant program to assist in final redevelopment and site preparation efforts. IDEM provides technical oversight for each of these grant programs.

Additional funding sources are available through the Indiana Interagency Brownfields Task Force (Task Force). The creation of the Task Force was a collaborative effort to address the multiple facets of barriers to redevelopment. The Task Force is comprised of several Indiana agencies, including some Indiana offices of federal agencies that have small but important roles to play in brownfield activities. The Task Force is a conduit for brownfield information and resources into and out of all of Indiana state government. Following are some examples of assistance that Task Force members have available:

- Indiana Association of Cities and Towns Environmental Circuit Rider Program - assistance with the location and application for grant funds
- Indiana Department of Natural Resources Hometown Indiana Program - funding for recreational land acquisition and facility construction or renovation
- Indiana Housing Finance Authority Community Housing Development Organization Works Program - funding for the production of affordable housing units
- U.S. Department of Housing and Urban Development Economic Development Initiative - funding for property acquisition, reconstruction of housing, site preparation, demolition, etc.

The Task Force received a “Local Best Practices FY2000” award from the U.S. Department of Housing and Urban Development, an award that validated the efforts of many.

4. A combination of the grants and loans described above is sufficient to provide some form of financial assistance to all phases of a project track.

C. Ability to Manage Grants

1. IDEM's Brownfields Program has extensive experience managing grants and overseeing assessment activities. The Brownfields Program is situated in the same section as the Site Investigation Program, which has worked under an existing EPA CERCLIS Site Assessment Cooperative Agreement (CA) since 1985. IDEM has been conducting Targeted Brownfields Assessments (TBAs, called Brownfield Environmental Assessments or BEAs) and providing reports to EPA for seven years under this CA and is accustomed to quarterly reporting to EPA.

In 1995, EPA Region 5 entered into a CA with IDEM and provided \$150,000 in additional funds to the CERCLIS Site Assessment CA for a Brownfields Pilot to support environmental assessments at approximately ten brownfields in Indianapolis and the northwest Indiana communities of Gary, Hammond and East Chicago. EPA monitored the success of IDEM's program through quarterly reports.

In 1997, IDEM received a Brownfields Cleanup Revolving Loan Fund (BCRLF) pilot grant from EPA for \$350,000. Funded under CERCLIS, this pilot was designed to allow the state to capitalize revolving loan funds that will be used to clean up brownfields to facilitate their sustainable reuse. Although these pilot funds allow IDEM to issue low-interest loans for non-time critical removals rather than assessment activities, this pilot illustrates IDEM's ability to manage other grants.

The IDEM Brownfields/Site Investigation section has staff experienced in assessment oversight activities and has no need to create an oversight system. The Brownfields Program staff currently provides technical oversight of assessment activities through the Indiana Brownfields Program.

2. IDEM has been an agency of the state of Indiana since 1986 and has managed numerous cooperative agreements and grants. The agency has never incurred a major audit finding and has never been required to comply with special "high risk" terms and conditions under agency regulations implementing OMB Circular A-102.
3. Although IDEM is not a recipient of an EPA Brownfields Assessment CA, IDEM is a recipient of a CERCLIS Site Assessment CA and a CERCLA Core CA that have supported TBAs, other technical assistance/assessment work, and non-site specific program activities such as education and outreach activities for brownfield sites. The Brownfields/Site Investigation section has been compliant with EPA quarterly reporting for several years.

Furthermore, for the purpose of gaining additional information for reporting measures of success to EPA, questionnaires have been developed for recipients of the various forms of assistance that the Brownfields Program provides.

The IDEM Office of Management, Budget, and Administration recently (December 16, 2002) filled a position to assist in FSR preparation. Because of a state hiring freeze, IDEM was unable to fill this position sooner. This hire will address the issue of timely FSR submittals identified in a recent audit.

4. IDEM is not a current recipient of an EPA Brownfields Assessment CA. The amount remaining in the CERCLIS CA is approximately \$1.05 million
 5. Accomplishments of IDEM's Brownfields Program under the EPA CA include:
 - Core Grant (General program activities/outreach)
 - Developed State Brownfields Program in conjunction with EPA's Brownfields Economic Redevelopment Initiative, providing technical, financial and community outreach assistance
 - Created/maintain Brownfields Bulletin quarterly newsletter (19 Issues to date)
 - Created/maintain Brownfields Program Web page
 - Developed/coordinated the Indiana Brownfields Redevelopment Resource Guide (with updates as needed)
 - Developed/coordinate the Interagency Brownfields Task Force and the Indiana Brownfields Advisory Team subgroup
 - Developed/coordinated/held 12 state-wide brownfields workshops
 - Developed/coordinated/held 1 state-wide brownfields conference
 - Participated in various local, state and national workshops/conferences
 - CERCLIS Site Assessment Grant
 - 41 BEAs (TBAs) in progress, completed, or referred
 - 139 state grant and loan sites--technical reviews/oversight
 - 64 Comfort/Site Status Letters—technical reviews/oversight
- Note that BEAS have been used in conjunction with the Indiana Brownfields Site Assessment Grants to maximize state resources

D. Site Selection Process

1. Upon award of the grants, Indiana will select sites in a manner consistent with the selection processes currently used for state grants and loans. See Attachment #3. Extra consideration is given to the needs of special community situations, such as environmental justice (EJ) areas. Using 2000 U.S. Census data for race and income ratios, IDEM has identified geographical areas where EJ is a potential concern. See Attachment #4. In total, EJ is a potential concern in 23.21% of Indiana's population. See

Attachment #5. By combining the Agency's environmental data with this race and income data, IDEM also has the capacity to identify communities that are disproportionately impacted by environmental factors. Indiana's current grant and loan selection process reflects its commitment to brownfields redevelopment in these sensitive areas. Indiana's Brownfields Program promotes redevelopment to improve the quality of life for community residents by revitalizing neighborhoods, reducing threats to human health and the environment, and in some cases, bringing much needed economic growth. The proposed assessment grants are intended to provide assistance to those communities that do not have the resources to achieve brownfields redevelopment on their own.

Sites will be selected based on a process that will, at a minimum, include the following factors: 1) potential impact to human health and the environment, 2) community financial need, 3) size of community, 4) redevelopment plans, and 5) community support.

2. Abandoned landfills: IDEM has created a database inventory of landfills that are no longer accepting waste and no longer have monitoring or reporting requirements to the agency. Many of these sites were never required to monitor groundwater conditions or place adequate cover material upon reaching capacity. Site locations are entered into the database, and with the use of computer aided search capabilities, landfill locations are ranked for environmental sensitivity. Information that is included in the search criteria include distances of a landfill to the following points of concern: a) schools, b) residential water wells, c) high capacity water well, d) residential areas and, e) streams or rivers. Information is also gathered regarding the location of a landfill with respect to the following: a) karst geology, b) environmentally impacted watershed (i.e. located within a Fish Consumption Advisory watershed), c) floodplains. IDEM will include more environmental information search criteria as that information becomes available and the reliability of the information can be established. Using the outlined search information IDEM has initially prioritized sites with respect to potential human risk based upon available information. It is anticipated that development of the selection process will be guided by the same concepts and principles of the state's current grants and loans program.

Brownfields/VRP Project: There is currently no inventory of sites that would be targeted to benefit specifically from the extra liability protection that a Certificate of Completion and a Covenant Not to Sue could provide. Since use of these funds would be contingent upon completion of a remedial project to appropriate closure standards, those eligible sites will be chosen on a first come, first served basis.

Abandoned Tank Facility Inventory: The development of the Abandoned Tank Facility Inventory and Assessment project is an outgrowth of work currently being performed by IDEM's Underground Storage Tank (UST) Inspection staff. The inspectors have begun a list of abandoned facilities where tanks may still be present on site but where no viable responsible party can be found. Sites from this inventory will be selected based upon community needs and redevelopment potential using the concepts and principles of the state's current grants and loans program.

3. Prior to awarding grant monies to communities and eligible entities, rights of entry shall be demonstrated to the satisfaction of IDEM.

